

Message Text

PAGE 01 NATO 03826 101947Z

64

ACTION EUR-25

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TAGS: AFIN, AORG, OECD, NATO

SUBJECT: COORDINATING COMMITTEE OF GOVERNMENT BUDGER EXPERTS-
INFORMAL MEETING OF BRUSSELS GROUP

REF: OECD PARIS 16667

BEGIN SUMMARY: CCG REPRESENTATIVES RESIDENT IN BRUSSELS REVIEW
DRAFT CCG REPORT ON ADJUSTMENT OF PENSIONS . END SUMMARY.

1. AT INFORMAL MEETING JULY 8, OF BRUSSELS GROUP OF CCG REPS
(FRANCE, UK, BELG, NETH, CAN), CCG CHAIRMAN MASSBERG CIRCULATED
FOR DISCUSSION DRAFT CCG REPORT ON ADJUSTMENT OF PENSIONS/
TAXATION ISSUE. (COPY BEING FURNISHED USOECD BY MASSBERG). WITH
MINOR MODIFICATIONS SUGGESTED BY BRUSSELS GROUP, DRAFT WILL BE
PRESENTED FOR CCG CONSIDERATION AT JULY 16 MEETING.
2. AS FORESEEN IN REFTEL PARA 3, ADDITIONAL COSTS WOULD BE
ALLOCATED ON RESIDENCY OF PENSIONER FORMULA TO BE DEVELOPED.
GROUP REACHED NO REPEAT NO AGREEMENT ON GROSSING UP PERCENTAGE.
3. IN GROUP DISCUSSION IT CLEARLY EMERGED THAT REASON FOR
OPPOSITION TO 100PERCENT GROSSING UP IS NOT SO MUCH AN
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PAGE 02 NATO 03826 101947Z

OBJECTION TO FULL OFFSET FOR TAXES PER SE, WHICH COULD HAVE BEEN
MET BY ADJUSTING SALARY BASE AS US PROPOSED (REFTEL PARA 1),
AS AN OBJECTION TO USE OF SAME COMPARATIVE STANDARDS FOR
DETERMINING PENSIONS AS SALARIES OF SERVING STAFF. EXCEPT FOR

CANADIAN MEMBER, GROUP STRONGLY FELT THAT WHEN DEVELOPING A FORMULA FOR ADEQUATE NET PENSIONS ONE MUST GIVE GREATER WEIGHT TO THE TREND OF CIVIL SERVICE REMUNERATION IN MEMBER COUNTRIES THAN WHEN DEVELOPING SALARY SCALES FOR SERVING STAFF. THE ARGUMENT THAT A-GRADE SALARIES MUST BE INTERNATIONALLY COMPETITIVE DOES NOT CARRY SO STRONGLY TO THEIR PENSIONS.

4. COMMENT : IT IS CLEAR THAT THE GROUP, AND THE CCG ITSELF, ARE MIXING THE CONCEPT OF TAX-OFFSET CONSIDERATION WITH CONCEPT OF ADEQUACY OF PENSION; CURRENT DEBATE, WHILE PURPORTEDLY ON TAX-QUESTION, SEEMS TO OFFER LAST CLEAR CHANCE TO DETERMINE NET PENSIONS IN ACTUAL MONETARY TERMS, AND AS DELEGATION VIEWS AND NATIONAL CIVIL SERVICE SCALES VARY SO GREATLY IT MAY NOT BE POSSIBLE FOR THE CCG TO REACH AGREEMENT IN THE NEAR FUTURE ON A SIMPLE PERCENTAGE FORMULA FOR GROSSING UP UNLESS THEY SETTLE DOWN TO A LOWEST COMMON DENOMINATOR. RUMSFELD

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<< END OF DOCUMENT >>

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BRUSSELS GROUP